

Message Text

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44

ACTION TRSE-00

INFO OCT-01 ARA-16 ISO-00 SPC-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02 L-03

CIAE-00 INR-10 NSAE-00 SSO-00 NSCE-00 INRE-00 DRC-01

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 3120

C O N F I D E N T I A L CARACAS 02500

DEPT PASS TREASURY

EO 11652: GDS

TAGS: OVIP (SHULTZ), XM

SUBJECT: SECRETARY OF TREASURY SHULTZ TRAVEL

REF: CARACAS 2454

FOR ASSISTANT SECRETARY HENNESSY

1. VENEZUELAN GOVERNMENT IN PROCESS OF PREPARING LEGISLATION FOR ESTABLISHMENT OF VENEZUELAN INVESTMENT FUND DESIGNED TO INVEST EXTERNALLY GREATLY INCREASED REVENUES RESULTING FROM INCREASED PETROLEUM PRICES. WHILE SEVERAL AMERICAN BANKS HAVE BEEN CONSULTING WITH GOVERNMENT CONCERNING POSSIBILITIES OF FOREIGN INVESTMENTS, CHASE MANHATTAN SENT TEAM OF HIGH LEVEL OFFICIALS HEADED BY JOSEPH CARROL (FORMER ASSISTANT TO SECRETARY SHULTZ) WHICH SPENT WHOLE LAST WEEK CONSULTING WITH GOVERNMENT ON INSTITUTIONAL ASPECTS OF ESTABLISHING FUND.

2. CARROL TOLD EMBASSY OFFICERS THAT HE EXPECTED TO RECEIVE DRAFT LEGISLATION FOR FUND BEFORE DEPARTING CARACAS MARCH 22. CHASE
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TEAM, WHICH SEEMS TO FEEL THEY HAVE INSIDE TRACK IN WORKING WITH GOVERNMENT ON FUND, OBVIOUSLY HAS OBTAINED CONSIDERABLE INFORMATION ABOUT GOVERNMENT PLANS FOR UTILIZING EXCESS PETROLEUM REVENUE WHICH COULD BE CLOSE TO \$10 BILLION. GIVEN THE IMPORTANCE TO US BALANCE OF PAYMENTS, EMBASSY OFFICERS SUGGESTED THAT CARROL BRIEF TREASURY PRIOR TO DEPARTURE FOR CARACAS. CARROL AGREED AND ASKED EMBASSY TO NOTIFY ASST SECRETARY TREASURY THAT HE PREPARED TO COME TO WASHINGTON TUESDAY MORNING MARCH 26 FOR THIS PURPOSE. CARROL WOULD CONTACT TREASURY MONDAY, MARCH 25, FOR CONFIRMATION OF APPOINTMENT.

3. EMBASSY BELIEVES CHASE TEAM VISIT HIGHLY FORTUITOUS AND STRONGLY RECOMMENDS THAT TIME BE FOUND FOR CARROL TO BRIEF TREASURY OFFICIALS PRIOR TO DEPARTURE FOR CARACAS.
MCCLINTOCK

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

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